

CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name: Shelhamer Prospecting ProjectProponent: Carpenter Creek Land Company

Type and Purpose of Action: Drilling for coal quality, quantity and location information on the Shelhamer Ranch. The ranch is located on both sides of Highway 87, approximately 18 miles south of Roundup, MT. Initially, drilling would consist of 1 hole on each of six drilling sites, to gather information on possible coal seams lying below the Mammoth seam. This EA is based upon December 1 and December 8, 2006 site inspections with David Kuzara (December 1, 2006) and J.R. Kuzara (December 8, 2006).

Location: Drilling in Sections 8, 9, 10, 13, 18 & 24, T5N R26E, plus existing road and trail access.

County: Musselshell

| IMPACTS ON THE PHYSICAL ENVIRONMENT | |
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| RESOURCE | [Y/N] POTENTIAL IMPACTS AND MITIGATION MEASURES |
| 1. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE: Are fragile, compactable or unstable soils present? Are there unusual geologic features? Are there special reclamation considerations? | [N] No fragile soils or unusual geologic formations are present on any of the sites. Cross-country access would be minimal and restricted to good weather conditions, to avoid rutting. The area is gently rolling mixed-shrub grassland in the south, with ponderosa pine on hilltops. In the north, the area is more hilly and broken, with more significant patches of ponderosa. Some exposures of Fort Union sandstone occur in the northern portion of the area. |
| 2. WATER QUALITY, QUANTITY AND DISTRIBUTION: Are important surface or groundwater resources present? Is there potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality? | [N] Standard completion/abandonment of drill holes would minimize degradation or contamination of groundwater. No stream crossings would be encountered on access routes. The drilling company would use portable mud pits, and prevent cuttings from escaping into coulees. |
| 3. AIR QUALITY: Will pollutants or particulate be produced? Is the project influenced by air quality regulations or zones (Class I airshed)? | [N] Limited amounts of diesel/gas emissions would occur during the drilling operation and transportation to and from the site. |
| 4. VEGETATION COVER, QUANTITY AND QUALITY: Will vegetative communities | [Y] Only a small area of surface disturbance would be associated with each drill hole. These would be seeded with the approved seed mix and revegetated in a short time period. Native seed from adjacent |

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| be permanently altered? Are any rare plants or cover types present? | vegetation would also add to vegetation diversity over time. |
| 5. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS: Is there substantial use of the area by important wildlife, birds or fish? | [N] The restricted nature of the disturbance would minimize the potential impact on the wildlife community inhabiting the area. No visible raptor nesting sites were observed in nearby areas, and the initially proposed activity would take place well outside of the normal raptor nesting season. |
| 6. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES: Are any federally listed threatened or endangered species or identified habitat present? Any wetlands? Species of special concern? | [N] See above. No wetlands were noted in the area of the proposed disturbance. With the exception of a potential migrating bald eagle, no threatened or endangered species have been noted in the area. |
| 7. HISTORICAL AND ARCHAEOLOGICAL SITES: Are any historical, archaeological or paleontological resources present? | [N] An inch of snow cover on December 1 precluded effectively checking each site for ground-level cultural materials. The Department conducted a second inspection on December 8, following snow melt. The sites were clear of snow. Sites were walked on about a 20-meter interval. No cultural materials were noted on any of the 6 drilling sites. |
| 8. AESTHETICS: Is the project on a prominent topographic feature? Will it be visible from populated or scenic areas? Will there be excessive noise or light? | [N] |
| 9. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY: Will the project use resources that are limited in the area? Are there other activities nearby that will affect the project? | [N] Primary current use of the land is as grazing land with associated use by wildlife. Incidental impact of drilling and access would not interfere with resources or use. |
| 10. IMPACTS ON OTHER ENVIRONMENTAL RESOURCES: Are there other studies, plans or projects on this tract? | [N] |

| IMPACTS ON THE HUMAN POPULATION | |
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| RESOURCE | [Y/N]POTENTIAL IMPACTS AND MITIGATION MEASURES |
| 11. HUMAN HEALTH AND SAFETY: Will this project add to health and safety risks in the area? | [N] Drilling activities would employ accepted safety standards and procedures. |
| 12. INDUSTRIAL, COMMERCIAL AND AGRICULTURAL ACTIVITIES AND PRODUCTION: Will the project add to or alter these activities? | [N] A minimal amount of forage would be temporarily lost to livestock and wildlife. |
| 13. QUANTITY AND DISTRIBUTION OF EMPLOYMENT: Will the project create, move or eliminate jobs? If so estimated number | [N] |
| 14. LOCAL AND STATE TAX BASE AND TAX REVENUES: Will the project create or eliminate tax revenue? | [N] |
| 15. DEMAND FOR GOVERNMENT SERVICES: Will substantial traffic be added to existing roads? Will other services (fire protection, police, schools, etc) be needed? | [N] |
| 16. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS: Are there State, County, City, USFS, BLM, Tribal, etc. zoning or management plans in effect? | [N] |
| 17. ACCESS TO AND | [N] There is some potential for hunting, hiking and other recreation. |

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| QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES: Are wilderness or recreational areas nearby or accessed through this tract? Is there recreational potential within the tract? | This would all require landowner permission. There is a hunting access agreement in effect for the "Cabin Creek Ranch" portion with Hunt Montana. Any potential conflicts with this agreement would be handled by the landowner. |
| 18. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING: Will the project add to the population and require additional housing? | [N] |
| 19. SOCIAL STRUCTURES AND MORES: Is some disruption of native or traditional lifestyles or communities possible? | [N] |
| 20. CULTURAL UNIQUENESS AND DIVERSITY: Will the action cause a shift in some unique quality of the area? | [N] |
| 21. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES: | [N] |

22. Alternatives Considered:

No action. Acceptance of this alternative would result in the denial of the prospecting permit. This would in turn result in the company not obtaining needed information regarding the coal resource.

23. Regulatory Impact on Private Property: The analysis done in response to the Private Property Assessment Act indicates no impact. The Department does not plan to deny the application or impose conditions that would restrict the use of private property.

24. Public Involvement, Agencies, Groups or Individuals contacted: No land-owning agencies are involved. Montana FWP and the Montana SHPO were contacted for information on possible sensitive habitat and possible cultural resources.

25. Other Governmental Agencies with Jurisdiction, List of Permits Needed: None.

26. Magnitude and Significance of Potential Impacts: Minimal, insignificant impacts.

Recommendation for Further Environmental Analysis:

☐ EIS ☐ More Detailed EA ☒ No Further Analysis

EA Checklist Prepared By: Robert Bohman Reclamation Specialist
Name Title

Approved By: _____
Name Title

Signature Date